

AMENDMENTS TO THE SPECIFICATION

Please amend the specification as follows:

[0020] The demagnetization coupling is offset, according to the present invention, by the presence of a ferromagnetic layer 58 formed on top of the antiferromagnetic pinning layer 54. Ferromagnetic layer 58 establishes a magnetic coupling with pinned ferromagnet 52, as indicated by the curved arrows linking the two layers. Accordingly, ferromagnetic layer 58 acts like a magnetic flux vacuum and redirects magnetic flux from layer 52 to layer 58 thereby reducing the magnetic flux coupling between pinned ferromagnetic layer 52 and free ferromagnet layer 50. A capping layer 56 is formed over the ferromagnetic layer 58 and a conducted layer may be provided over the capping layer 56 which is electrically ~~coupled~~ coupled to ferromagnetic layer 58. It should be understood that while the memory element of Fig. 3 has been described as containing various material layers, e.g., 48, 50, 46, 52, 54, 28 and 56, each of those layers may, in fact, be formed of a plurality of thin film layers.